



SOUTHERN CALIFORNIA EDISON COMPANY

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CONSOLIDATED STATEMENTS OF INCOME

Three Months Ended
March 31,

In millions	2006	2005
	(Unaudited)	
Operating revenue	\$ 2,217	\$ 2,008
Fuel	311	255
Purchased power	1,013	388
Provisions for regulatory adjustment clauses – net	(363)	65
Other operation and maintenance	617	601
Depreciation, decommissioning and amortization	253	222
Property and other taxes	54	49
Total operating expenses	1,885	1,580
Operating income	332	328
Interest and dividend income	15	9
Other nonoperating income	27	18
Interest expense – net of amounts capitalized	(97)	(103)
Other nonoperating deductions	(11)	(7)
Income before tax and minority interest	266	245
Income tax	83	65
Minority interest	50	48
Net income	133	132
Dividends on preferred and preference stock not subject to mandatory redemption	12	1
Net income available for common stock	\$ 121	\$ 131

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Three Months Ended
March 31,

In millions	2006	2005
	(Unaudited)	
Net income	\$ 133	\$ 132
Other comprehensive income, net of tax:		
Amortization of cash flow hedges	—	1
Comprehensive income	\$ 133	\$ 133

SOUTHERN CALIFORNIA EDISON COMPANY

CONSOLIDATED BALANCE SHEETS

In millions	March 31, 2006 (Unaudited)	December 31, 2005
ASSETS		
Cash and equivalents	\$ 142	\$ 143
Restricted cash	50	57
Margin and collateral deposits	108	178
Receivables, less allowances of \$32 and \$33 for uncollectible accounts at respective dates	673	849
Accrued unbilled revenue	274	291
Inventory	230	220
Trading and price risk management assets	29	237
Regulatory assets	829	536
Other current assets	74	92
Total current assets	2,409	2,603
Nonutility property – less accumulated provision for depreciation of \$585 and \$569 at respective dates	1,074	1,086
Nuclear decommissioning trusts	2,984	2,907
Other investments	84	80
Total investments and other assets	4,142	4,073
Utility plant, at original cost:		
Transmission and distribution	16,929	16,760
Generation	1,443	1,370
Accumulated provision for depreciation	(4,868)	(4,763)
Construction work in progress	1,090	956
Nuclear fuel, at amortized cost	153	146
Total utility plant	14,747	14,469
Regulatory assets	3,023	3,013
Trading and price risk management assets	24	42
Other long-term assets	498	503
Total long-term assets	3,545	3,558
Total assets	\$ 24,843	\$ 24,703

CONSOLIDATED BALANCE SHEETS

In millions, except share amounts	March 31, 2006 (Unaudited)	December 31, 2005
LIABILITIES AND SHAREHOLDERS' EQUITY		
Short-term debt	\$ 188	\$ —
Long-term debt due within one year	246	596
Accounts payable	687	898
Accrued taxes	254	242
Accrued interest	96	106
Counterparty collateral	30	183
Customer deposits	184	183
Book overdrafts	182	257
Accumulated deferred income taxes – net	168	5
Trading and price risk management liabilities	155	87
Regulatory liabilities	505	681
Other current liabilities	683	723
Total current liabilities	3,378	3,961
Long-term debt	5,107	4,669
Accumulated deferred income taxes – net	2,796	2,815
Accumulated deferred investment tax credits	117	119
Customer advances and other deferred credits	553	550
Trading and price risk management liabilities	118	101
Power-purchase contracts	55	64
Accumulated provision for pensions and benefits	527	500
Asset retirement obligations	2,641	2,621
Regulatory liabilities	3,009	2,962
Other long-term liabilities	280	284
Total deferred credits and other liabilities	10,096	10,016
Total liabilities	18,581	18,646
Commitments and contingencies (Notes 3 and 4)		
Minority interest	367	398
Common stock, no par value (434,888,104 shares outstanding at each date)	2,168	2,168
Additional paid-in capital	350	361
Accumulated other comprehensive loss	(16)	(16)
Retained earnings	2,464	2,417
Total common shareholder's equity	4,966	4,930
Preferred and preference stock		
not subject to mandatory redemption	929	729
Total shareholders' equity	5,895	5,659
Total liabilities and shareholders' equity	\$ 24,843	\$ 24,703